

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

November 3, 2003
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Mosher, and Noble

ABSENT: Councilmember Lee

1. Executive Session

Deputy Mayor Degginger opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately one hour to discuss two items of potential litigation.

The Study Session resumed at 6:40 p.m. with Mayor Marshall presiding.

2. Study Session

(a) Solid Waste Contract Discussion

City Manager Steve Sarkozy recalled previous discussions with Council regarding the City's solid waste collection contract. He thanked the Environmental Services Commission for their review and input throughout the process.

Utilities Director Lloyd Warren recalled previous Council direction to refine proposed costs with the two proponents interested in providing comprehensive garbage, recyclables, yard debris, and organic waste collection services.

City Attorney Richard Andrews reviewed that the City issued a request for proposals (RFP) and submittals were reviewed according to established criteria. Mr. Andrews said the RFP and the review process have complied with all legal requirements. Council requested additional clarification from the proponents during the last discussion with staff, and the requested information has been gathered. Both proponents have submitted signed contracts acceptable to the City and subject to Council decision.

Mayor Marshall noted Council will vote on the contract during the Regular Session later in the evening.

Utilities Assistant Director Damon Diessner said the contracts achieve all identified goals, maintain flexibility for the City, provide desired services, and maximize customer value. New services include commingled single-family recyclables, weekly yard debris pickup, weekly single-family food waste collection, commingled multifamily recyclables, and commingled commercial recyclables. Recent submittals from the proponents include revised cost proposals, container specifications, answers to Council's questions, and a signed contract.

Mr. Diessner reviewed the cost savings reflected in the negotiated agreements including new services valued at \$1.5 million annually and savings totaling \$23.5 million over the life of the contract. The average single-family customer will save \$1.47 per month. Staff recommends adoption of the resolution to execute the garbage, recyclables, yard debris, and organic waste collection contract with Rabanco, dba Eastside Disposal Company.

Mr. Mosher commended staff for their extensive efforts during this lengthy process. Mr. Noble thanked both proponents for working with City staff. Dr. Davidson thanked staff and the Environmental Services Commission for their hard work.

(b) Planning Commission's Recommendation for Downtown Pedestrian Crossings
Land Use Code Amendment

Planning Director Dan Stroh recalled that the downtown pedestrian crossings Comprehensive Plan amendment and Land Use Code amendment were initiated by Council in June in response to a proposal by Kemper Development regarding connections between Bellevue Square, Bellevue Place, and the partially constructed Lincoln Square project. The Planning Commission studied the proposal and provided a recommendation to Council. Council approved the Comprehensive Plan amendment (Ordinance No. 5483) on October 20 to allow grade-separated pedestrian crossings at specific locations in the downtown.

Mr. Stroh explained that the proposal for pedestrian crossings was reviewed in the context of the overall downtown vision of creating a vibrant public realm. Key guiding principles during the Planning Commission's review were: 1) grade-separated pedestrian crossings should not create a "city within a city," 2) crossings should not take activity away from the street level and Pedestrian Corridor, 3) the use of the public right-of-way requires a clear demonstration of public benefit, and 4) crossings of public right-of-way must be publicly accessible. The Downtown Subarea Policy adopted by Council on October 20 specifies that pedestrian crossings may be appropriate over the public right-of-way on Bellevue Way between NE 4th and NE 8th Streets and over NE 4th and NE 8th Streets between Bellevue Way and 110th Avenue NE, provided there is a clear demonstration of public benefit and design criteria are fully met. Mr. Stroh said the policy is consistent with themes in the Downtown Implementation Plan.

Mr. Stroh said the Land Use Code amendment includes several elements including a public benefit test. The applicant must demonstrate that a proposed crossing would improve pedestrian mobility, not detract from street level activity, and function as part of the public realm.

Emil King, Senior Planner, reviewed 16 development standards drafted by staff and the Planning Commission, which are included in the proposed Land Use Code amendment ordinance (Pages SS 2-19 and SS 2-20 of the Council packet).

Mr. Stroh noted the requirement for a legal agreement to ensure the general public has access to a crossing over the public right-of-way. Council will approve each proposed pedestrian crossing. Mr. Stroh said the proposed ordinance will come back for Council action in the near future.

Mr. Mosher expressed support for the design principles reflected in the development standards.

Noting the development standard that the crossings may have only one partially enclosed side, Mr. Creighton suggested it might be desirable to allow fully enclosed crossings to protect pedestrians from rain and wind. Mr. Noble concurred.

Mr. Noble questioned development standard #15, which specifies that the bridge must be architecturally distinct from the structures it connects. Mr. Stroh said the rationale is that the crossing should feel like the public realm rather than private space.

Dr. Davidson expressed support for the design criteria. He encouraged consideration of whether the crossings will be a distraction for drivers under the bridge. Similarly, Mr. Noble suggested that enclosing the crossings would prevent anyone from throwing anything off of the bridges.

Mr. Stroh confirmed that the Planning Commission discussed the open versus closed concept extensively and raised many of the same issues that have been raised by Council. Overall, the Planning Commission felt that partially open crossings would add to the public nature of the bridges, which they weighed more heavily than other factors. Mr. Stroh said the bridges can be designed to be open or partially open while still providing protection from the weather.

Mayor Marshall thanked the Planning Commission for their work. She prefers the open crossing design and cautioned that the bridges should be used sparingly. She does not want to end up with street views of multiple pedestrian crossings. Mr. Mosher agreed with the suggestion to avoid multiple bridges on one street.

Deputy Mayor Degginger feels it will be important for Council to review each proposal in terms of public benefit and aesthetic impacts.

(c) Planning Commission's Recommendation for Downtown Retail Exemptions Land Use Code Amendment

Land Use Director Carol Helland recalled previous discussion of Schnitzer Northwest's request to expand the retail space exemption to include mid-block and upper level retail from the floor area calculation on downtown projects. Council previously referred the matter to the Planning Commission for review. The purpose of tonight's discussion is to provide background information on the FAR (floor area ratio) Amenity Incentive System, review the Planning Commission's recommended Land Use Code amendment, and receive direction from Council.

Beginning with the FAR Amenity Incentive System, Ms. Helland referenced page SS 2-43 of the Council packet. Level 1, the Basic Amenity System, applies to the entire downtown and allows a developer to achieve maximum FAR through floor area bonuses in exchange for providing an amenity such as pedestrian-oriented frontage. Level 2 represents FAR exemptions for public benefit amenities (e.g., grocery store, child care, space for nonprofit organizations, public restroom, performing arts space) and street-level retail. Level 3 represents a bonus beyond the height ceiling and FAR in exchange for providing a pedestrian corridor or major public open space. Ms. Helland displayed examples to illustrate the effect of the three FAR incentive levels.

Ms. Helland explained that the Planning Commission developed a set of principles to guide the development and analysis of the retail exemption Land Use Code amendment. She noted the Design Guideline Principles (Attachment A) provided in Council's desk packet. The Planning Commission's review was focused on retaining the rationale for providing the retail exemption, which is to encourage sidewalk activity. The Commission held a public hearing on four alternatives: 1) no change, 2) entire downtown alternative, 3) special opportunity area alternative, and 4) entire downtown plus special opportunity area alternative (Page SS 2-23 of the Council packet.).

Ms. Helland said alternative 2 would amend the Land Use Code to expand the retail floor area exemption to mid-block retail connections and upper levels of buildings, within two stories of the ground level, throughout the downtown. This exemption would include both a preference hierarchy and a 1.0 FAR cap.

Alternative 3 is similar to alternative 2 but would only be available to projects within a designated portion of a Special Opportunity Area. Alternative 4, a combination of 2 and 3, applies the preference hierarchy and 1.0 FAR cap to the entire downtown. However, within the Special Opportunity Area, it expands the floor area exemption to the upper level of buildings and on mid-block pedestrian connections without a preference hierarchy and with a 1.0 FAR cap.

Ms. Helland said the Planning Commission recommends alternative 4. All alternatives require projects to meet the design guidelines (Attachment B, Page SS 2-26 of the Council packet) in order to be eligible for the retail exemption. The Planning Commission's discussions focused mainly on alternatives 2 and 4. The Commission concluded it would be beneficial to provide a critical mass of pedestrian activity at the east end of the Pedestrian Corridor to complement retail and entertainment activity at the west end of the Pedestrian Corridor.

Ms. Helland said the mid-block retail design guidelines listed in Attachment B emphasize pedestrian activity, a design relationship between buildings and the sidewalk, physical and visual access to and from structures, and outdoor features and amenities. Upper level retail design criteria (Page SS 2-28) include an interest in activating the ground level pedestrian environment, extensive visual access to the upper level from the exterior, and convenient and frequent access from the street or pedestrian way.

Dr. Davidson expressed concern regarding the Special Opportunity Area because he prefers that all areas be treated equally. Ms. Helland said the Planning Commission felt strongly about

providing an additional incentive for retail and activity-generating development on the east end of the Pedestrian Corridor.

Mr. Mosher concurred with Dr. Davidson and suggested that upper level retail, along with elevated pedestrian crossings, could provide exciting areas throughout the downtown.

Mayor Marshall expressed support for the Planning Commission's recommendation, noting it provides enhanced flexibility for certain development but it does not grant additional FAR. She agrees with the Commission that this approach will generate more activity along the Pedestrian Corridor.

Patsy Bonincontri, Planning Commission Member, described the Commission's interest in encouraging development on large properties between buildings such as the new City building and Meydenbauer Convention Center at the east end of the Pedestrian Corridor.

Deputy Mayor Degginger and Mr. Noble expressed preliminary support for the Planning Commission's recommendation.

At 7:59 pm., Mayor Marshall declared recess to the Regular Session.

(d) New City Building Financing Update/Bond Issue

The Study Session resumed at 9:19 p.m.

Finance Director Jan Hawn discussed the question of whether to issue long-term bonds for redevelopment of the New City Building in one or two phases, following approval of the Maximum Allowable Construction Cost (MACC). The Preliminary Finance Plan assumed two separate phases of bonds, the first in November 2003 and the second in June 2004. Upon further analysis by staff and the City's financial advisor, Rebecca Chao, staff now recommends one bond issue. Postponement of the bond issue until June 2004 will save the City \$1.2 million. Interest on the outstanding \$29 million BAN (bond anticipation note) is currently low (1.45 percent), which the City can take advantage of until December 2004. Proceeds from the sale of the current City Hall campus will become available as of December 31, 2003. Also, waiting for Council to approve the MACC will allow the bonds to be sized more accurately to true project costs.

Ms. Hawn requested Council action to direct staff to proceed with financing for the New City Building using one bond issue, once the final MACC is approved or sooner if interest rates start to increase significantly.

Ms. Hawn responded to brief questions of clarification.

- ➡ Dr. Davidson moved to provide direction to staff to proceed with financing for the New City Building using one bond issue, after the final Maximum Allowable Construction Cost (MACC) is approved or sooner if interest rates begin to increase. Mr. Degginger seconded the motion.

Deputy Mayor Degginger noted the City will also save money on financial and legal advice by using one bond issue.

Mr. Creighton expressed support for the motion.

Responding to Mr. Mosher, Mr. Sarkozy said staff will consult with Council if interest rates increase or the situation otherwise changes.

- ➡ The motion to provide direction to staff to proceed with financing for the New City Building using one bond issue, after the final Maximum Allowable Construction Cost (MACC) is approved or sooner if interest rates begin to increase, carried by a vote of 6-0.

At 9:29 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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